CONFIDENTIAL

1953

File No. CTS 1053
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REHABILITATION OF BACKWARD CLASSES. HOUSING & DEPARTMENT 989

Rev(CT)
dt 26/2/57

Q BRANCH

Subject:— Export of Scrap Iron & Steel

B Class

Karnatak

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E

Rev(CT)
To Export Industries
4/22/2

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original file
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File No. CTS 1053 - I. - Q

Std. Sectt. Slip 24 B e.

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
IRON AND STEEL CONTROL
38, Netaji Subhas Road,
CALCUTTA.1.

No.ISC/CDN/III/Exp-42/2713 Dated the 21st Dec. 1951.

To

1) Indian Engineering Association of India,
Royal Exchange Building,
CALCUTTA.

2) Engineering Association of India,
23B, Netaji Subhas Road,
CALCUTTA.

3) Director of Consumer Goods,
Govt. of West Bengal, Towns Hall, CALCUTTA

4) Steel Re-rolling Mills Association of India,
20, Strand Road, CALCUTTA.

5) Calcutta Scrap Merchants Association,
20, Strand Road, CALCUTTA

6) Director of Controlled Commidities,
Mount Road, MADRAS.

7) The Rationing Officer (Iron & Steel)
Military Hutments, Esplanade Maidan, BOMBAY.

8) The Bombay Controlled Scrap Merchants' Assn.
42, Argyle Road, Carnac Bunder, BOMBAY-9.

9) India Co. Ltd.,
Oriental Buildings, Armenian Street, MADRAS.

10) V. Venugopal Pillai & Co.
23, Mint Street, MADRAS.

11) V. Sheshagiri Rao & Co.,
Main Road, KAKINADA.

12) A. Velayudha Raja,
No.95A, Victoria Extension Road, TUTICORIN.

13) M. Kuppuswamy Naicker,
15, Sembudoss Street, MADRAS.

Dear Sirs,

Subject:- Export of Iron and Steel Scrap - procedure for issue of export permits.

With a view to expedite disposal of applications for export of scrap, a revised procedure has been drawn up with the approval of the Ministry of Commerce and Industry. The procedure provides for the inspection of all scrap at the docks by representatives of this office accompanied by representatives of ~~the Committee of~~ likely Indian Consumers e.g. by representatives of the Re-rolling Mills Association of India in the case of re-rollable scrap and melting scrap and by representatives of the State Licensing authorities or the Controlled Scrap Stockists in the case of Industrial scrap. Iron and Steel Scrap suitable for use by the

foundries in the country will have to be sinspected by representatives of the Engineering Associations and go on. According to the revised procedure the exporter will give this office at least two clear working days' notice for arranging the inspection - longer notice not being possible since the inspection has to be carried out at the docks. For the same reason immediate decisions on the spot will be necy. and hence it will be appreciated if you will kindly extend your cooperation to this office by nominating your representatives for this inspection immediately on receipt of a telephone message from this office. It will be appreciated that more notice is not possible since demurrage etc. will accrue after the period mentioned above. The inspection has, therefore, got to be arranged promptly and it would be advisable if you could arrange to depute one of your responsible officers/representatives/contstituents who could be contacted and who would be available for inspection at short notice. The Scrap will be permitted to go out of the country only if it is found to beunsuitable for consumption in the country after this inspection. If it is found, on the either hand that the scrap can be made use of by the Indian consumers the exporter will have to remove the materials from the docks at his own expenses and sell the same to consumers in India nominated by this office at the statutory price.

2. If after the inspection your representative is of the opinion that the scrap can be made use of in the country, it will be necy. for you to ensure that the material in question is taken up within 10 (ten) days by your nominees who must be either registered producers (in the case of re-rollable and melting scrap) or factories getting regular allotments from the Central or Provincial Quota or Controlled Scrap Stockists (in the case of Industrial Scrap).

3. Will you kindly acknowledge receipt of this letter ?

Yours faithfully,

Sd/-A.N.Sethna
DEPUTY IRON & STEEL CONTROLLER.

C.L.No.6
HSS.18/6

*B*O M B A-Y P O R T T R U S T D O C K S.

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Notes of a discussion held in the Docks Manager's office on 26.2.1953 regarding the procedure adopted in the examination of Iron and Steel scrap brought down for shipment.

Present:-

V. Vaz, Esq., Docks Manager (Chairman)

Jasjit Singh Esq., Dy. Collector of Customs.

Sheshu Iyer Esq., Asstt. Collector of Customs Exports

J.N.Mullan Esq., Rationing Officer (Iron & Steel)

M. H. Sayani Esq., Dy. Manager, P. & V. Docks.

J.B.D'Souza Lawrence, Esq., Dy. Manager, General.

The Docks Manager outlined the existing procedure in respect of the examination of shipments of scrap iron with specific reference to two vessels currently loading in the Docks. He observed that the s.s."Muzaffari" had been able to list some 1600 tons although she had occupied a loading berth for 25 days. Similarly, the s.s."Flora" Nomicos" which had been at the allotted berth for 22 days had received 1900 tons so far. The formalities involved in getting the cargoes passed for shipment had formed the subject of a separate reference by the Chairman, Bombay Port Trust to the Government of Bombay. The Rationing officer, (Iron and steel) had also been personally questioned by the Chairman and he had inter alia pleaded that the Customs were partly responsible for much of the delay.

The Dy. Collector of Customs explained the stand point of his Department. He stated that the rationing officer who had been charged by Govt. for authorising shipment usually rejected a certain percentage of the quantity covered by Shipping Documents. To illustrate, out of a quantity of say 500 tons some 50 tons may be declared as unfit for shipment. The Customs were definitely not in a position to step in at this intermediate stage and identify the quantity, the shipment of which had been disallowed. In fact it was impossible he contended to indicate visually whether the rejected lot consisted of 50 tons or a moiety of this quantity. It was primarily for the Rationing officer to indicate the quantity the shipment of which had been refused.

The Assistant Collector of Customs stated that in working practice, the Customs required the rejected quantity to be pointed out to their Appraisors before the Shipping Bills could be endorsed.

Mr. Mullan joined the discussion at this stage. He stated that the inspection was carried out by a committee consisting of himself and representatives of Producers. Under the prescribed procedure, The inspection was further required to be carried out in the Docks. On a preliminary examination a certain percentage, which the producers may require for smelting was disallowed for shipment. He claimed that once this inspection had been carried out and the prohibited quantity indicated in terms of weight and material, say for example 20 tons of bolts and nuts, the subsequent formalities rested entirely with the Customs.

The Deputy Collector in disagreeing with this contention reinterated that it was physically impossible for a Customs Officer to assess the wieght of the rejected quantity by a mere visual inspection. It was essentially the duty of the Rationing Officer to point out the exact quantity separately from the main body the shipment of which he had prohibited.

Mr. Mullan whilst differing from the Customs stand point stated that in order to meet the Customs requirements, a re-inspection was arranged, after the rejected quantity had been separated from the main lot by the Shippers. He maintained that even after the rejected quantity had been separated and pointed out, the Customs insisted on the excluded portion being removed to a safe distance or out of the Dock premises. This insistence on the part of the Customs involved delays in the release of the goods.

The Customs representatives denied that physical removal had been insisted upon. The Customs considered a re-examination of the lots after segragation of the disallowed portion as part of the inspection procedure but, once the rejected portion had been indicated to them and the residue passed for shipment by the Rationing officer, no objections were raised. A suggestion had even been mooted by the Assistant Collector of Customs to spray the rejected portion with chunam for purposes of ready identification. This method if adopted would readily enable the rejected portion being shut out. The Customs requirements would be met by segragation of the rejected portion.

Discussion then ensured regarding the hours of inspection and method of certification of Shipping bills by the Rationing officer. Mr. Mullan stated that he went round with the committee at about 3.00 p.m. in the afternoons. Inspection of the lots in respect of which applications had been received was carried out at the different sites where the export vessles were berthed. He then adjourned to his office and proceeded with the endorsement of Shipping Bills.

The Docks Manager pointed out that if inspection only commenced at 3.00 p.m. transport alone to the different berths, usually widely separated, would occupy almost half an hour. Thereafter inspection at the sites would have to be undertaken and by th time the Rationing officer adjourned to his office for completing documentary formalities, the second shift in the Docks would have already commenced. This virtually meant that no arrangements could be made by the vessles Agents, the Customs and the Port Trust for working cargoes, even though passed for shipment, during the second and the third shifts. From a practical point of view the method adopted by the Rationing officer abounded in delays due to a lack of appreciation of working conditions. The remedy of endorsing the shipping bills on the spot readily suggested itself as a means of eliminating delays.

The Customs representatives expressed entire agreement with the Docks Manager.

Mr. Mullan explained that there were practical difficulties in endorsing the Shipping bills as suggested. To begin with the had to affix a rubber stamp under his endorsements and he would have to be equipped with it on his visits. Then again controversy usually arose as to th quantity earmarked for rejection. Furthermore, if the documents were to be endorsed at the loading sites delay would ensue in the committee completing the circuit of rounds.

In winding up the discussion the Docks Manager observed that the conclusions reached were that certification of shipping bills at site would eliminate loss of valuable working time and enable a greater volume of cargo being released for shipment during the second and third shifts as also the following day shift. The Customs had also agreed that their requirements would be met by a mere segregation of the rejected lots. The proposed expedient of spraying the prohibited lots with Ghunam should be recommended for adoption.

Sd/-
DOCKS MANAGER.

6th March, 1953.

No.C/2B-18/132 of 52/53

Copy to:-

HSs 18/6